

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

(MARK ONE)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000 OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 001-13255

**SOLUTIA INC.**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

43-1781797

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(STATE OR OTHER JURISDICTION OF  
INCORPORATION OR ORGANIZATION)

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(I.R.S. EMPLOYER  
IDENTIFICATION NO.)

**575 MARYVILLE CENTRE DRIVE, P.O. BOX 66760, ST. LOUIS, MISSOURI 63166-6760**

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(314) 674-1000

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
\$.01 PAR VALUE COMMON STOCK	NEW YORK STOCK EXCHANGE
PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

NONE  
(TITLE OF CLASS)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT: (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. /X/ YES // NO

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. /X/

STATE THE AGGREGATE MARKET VALUE OF THE VOTING AND NON-VOTING COMMON EQUITY HELD BY NON-AFFILIATES OF THE REGISTRANT:

APPROXIMATELY \$1.36 BILLION AS OF THE CLOSE OF BUSINESS ON FEBRUARY 26, 2001.

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE REGISTRANT'S CLASSES OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE: 103,419,837 SHARES OF COMMON STOCK, \$.01 PAR VALUE, OUTSTANDING AS OF THE CLOSE OF BUSINESS ON FEBRUARY 26, 2001.

**DOCUMENTS INCORPORATED BY REFERENCE**

PORTIONS OF SOLUTIA INC.'S NOTICE OF ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT DATED MARCH 15, 2001 (PART III OF FORM 10-K).

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Because of the size and nature of its business, Solutia is a party to numerous legal proceedings. Most of these proceedings have arisen in the ordinary course of business and involve claims for money damages. In addition, at the time of the spinoff, Solutia assumed from the former Monsanto Company (now Pharmacia Corporation), under an agreement known as the Distribution Agreement, liabilities related to specified legal proceedings. As a result, although Monsanto remains the named defendant, Solutia is required to manage the litigation and indemnify Monsanto for costs, expenses and judgments arising from the litigation. The results of litigation cannot be predicted with certainty. However, based upon currently available facts, Solutia does not believe that the ultimate resolution of any of these pending matters, except those cases described below involving the alleged discharge of polychlorinated biphenyls ("PCBs") from the Anniston, Alabama plant site, will have a material adverse effect on Solutia's financial position, liquidity or profitability in any one year. Resolution of those Anniston, Alabama cases may have a material adverse effect on Solutia's net income in a given year, although it is impossible at this time to estimate the range or

amount of any such liability. The following paragraphs describe several proceedings to which Solutia is a party or to which Monsanto is a party and for which Solutia assumed any liabilities.

On April 12, 1985, Monsanto was named as a defendant in *Alanis, et al. v. Farm & Home Savings, et al.*, filed in the District Court in Harris County, Texas, the first of a number of lawsuits in which plaintiffs claimed injuries resulting from alleged exposure to substances present at or emanating from the Brio Superfund site near Houston, Texas. Monsanto is one of a number of companies that sold materials to the chemical reprocessor at that site. The following two matters were settled recently: (1) Monsanto was one of a number of defendants in an action brought in Harris County District Court on behalf of 412 plaintiffs who were former employees of the owners/operators of the Brio site, or members of the employees' families. Plaintiffs claimed physical and emotional injury and sought compensatory and punitive damages in an unspecified amount. On April 24, 2000, the Company reached a tentative agreement to settle this matter for \$6 million. On December 15, 2000, the settlement was approved by the court and has been implemented. (2) Monsanto was one of a number of defendants in an action brought in Harris County District Court on behalf of 76 plaintiffs who lived in a subdivision near the Brio site, who attended school near the site or who used nearby recreational baseball fields. Plaintiffs claimed to have suffered various personal injuries and fear future disease; they asserted the need for medical monitoring. Plaintiffs sought compensatory and punitive damages in an unspecified amount. The Company reached a tentative agreement in October, 2000 to settle this matter for \$631,000. The settlement was approved by the court and was implemented on February 26, 2001. This leaves only two cases, one pending in Harris County District Court, the other in U.S. District Court for the Southern District of Texas, on behalf of 39 plaintiffs who owned homes or lived in subdivisions near the Brio site, attended school near the site or used nearby recreational baseball fields. Monsanto is one of a number of defendants in these cases. Plaintiffs claim to have suffered various personal injuries and fear future disease; they assert the need for medical monitoring, and, in the case of the homeowners, claim property damage. Plaintiffs seek compensatory and punitive damages in an unspecified amount. Solutia believes there are meritorious defenses to these lawsuits, including lack of proximate cause, lack of negligent or improper conduct on the part of Monsanto or Solutia and negligence of plaintiffs (or their parents) and/or of the builders and developers of the Southbend subdivision. Solutia is vigorously defending these actions.